

**E-FILED on October 31, 2006**

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Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
 LLC,  
 Debtor.

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**ERRATA TO NOTICE OF FILING OF  
 FIRST AMENDED AND RESTATED  
 ASSET PURCHASE AGREEMENT  
 (AFFECTS ALL DEBTORS)**

Affects:

- ☒ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC

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1 USA Commercial Mortgage Company, USA Securities, LLC, USA Capital Realty  
 2 Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust  
 3 Deed Fund, LLC (collectively, the “Debtors”), hereby file this Errata To Notice of Filing of First  
 4 Amended And Restated Asset Purchase Agreement (the “APA”). Due to an error, the Schedules  
 5 to the APA were omitted from the filing of the APA. Attached hereto are Schedules 1 through 7  
 6 to the APA.

7 Respectfully submitted this 31<sup>st</sup> day of October, 2006

8  
 9 /s/ Jeanette E. McPherson

10 Lenard E. Schwartz, Nevada Bar No. 0399  
 11 Jeanette E. McPherson, Nevada Bar No. 5423  
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**SCHEDULE 1**

Performance	Loan Name	Origination Date	7/31/06 Loan Outstanding	CFT	CFT Ownership	Purchase Price
				Ownership %	Principal Balance	
Performing	Fiesta Development \$6.6 (Fiesta Development, Inc.)	11/14/05	6,600,000	100.00%	6,600,000	
Performing	University Estates, Inc.	4/11/05	4,825,920	100.00%	4,825,920	
Non-Performing	Gramercy Court Condos (Gramercy Court, Ltd.)	6/25/04	34,884,500	13.10%	4,570,500	
Non-Performing	Franklin - Stratford Investments, LLC	3/30/05	5,225,000	80.67%	4,215,000	
Non-Performing	HFAH/Monaco, LLC	12/19/03	4,000,000	100.00%	4,000,000	
Performing	Cloudbreak LV (Cloudbreak Las Vegas, LLC)	12/17/03	3,800,000	99.31%	3,773,675	
Non-Performing	Eagle Meadows Development	10/19/05	31,050,000	11.76%	3,652,000	
Non-Performing	Shamrock Tower, LP (619 Main. LP)	8/5/04	10,500,000	31.43%	3,300,000	
Non-Performing	Margarita Annex	7/26/04	12,000,000	24.42%	2,930,000	
Non-Performing	The Gardens Phase II (The Gardens, LLC)	3/31/06	2,500,000	100.00%	2,500,000	
Performing	Columbia Managing Partners, LLC	9/1/05	2,210,000	100.00%	2,210,000	
Non-Performing	Brookmere/Matteson \$27,050,000	10/29/03	5,964,848	33.88%	2,021,085	
Non-Performing	Anchor B, LLC	5/31/05	5,835,422	33.36%	1,946,422	
Non-Performing	Interstate Commerce Center Phase II (ISCC Phase II, LLC)	8/11/04	1,856,849	86.34%	1,603,204	
Non-Performing	Palm Harbor One, LLC	12/14/05	28,480,000	5.60%	1,594,000	
Non-Performing	Ocean Atlantic \$9,425,000 (Ocean Atlantic Chicago, LLC)	1/23/06	8,925,000	14.61%	1,303,500	
Non-Performing	Binford Medical Developers, LLC	8/31/05	7,450,000	17.25%	1,285,000	
Performing	The Gardens, LLC Timeshare (The Gardens, LLC)	3/24/04	3,902,274	31.03%	1,211,050	
Performing	Cottonwood Hills, LLC	6/14/05	4,000,000	25.00%	1,000,000	
Performing	Mountain House Business Park (Pegasus-MH Ventures I, LLC)	6/10/04	16,800,000	5.21%	875,000	
Non-Performing	Lake Helen Partners	12/7/04	3,159,704	28.77%	908,908	
Non-Performing	ComVest Capital (Comvest Capital Satellite Arms, Inc)	1/11/06	4,125,000	17.82%	735,000	
Non-Performing	6425 Gess, LTD	4/14/05	26,500,000	2.63%	696,000	
Non-Performing	Standard Property Development, LLC	2/27/06	9,640,000	6.96%	671,000	

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**SCHEDULE 1**

<b>Performance</b>	<b>Loan Name</b>	<b>Origination Date</b>	<b>7/31/06 Loan Outstanding</b>	<b>CFT</b>	<b>CFT Ownership</b>	<b>Purchase Price</b>
				<b>Ownership %</b>	<b>Principal Balance</b>	
Performing	Roam Development Group L.P.	3/23/05	25,601,735	2.37%	605,688	
Non-Performing	Harbor Georgetown, L.L.C.	8/16/04	8,800,000	5.80%	510,000	
Non-Performing	Huntsville (West Hills Park Joint Venture)	3/31/04	10,475,000	4.77%	500,000	
Non-Performing	Castaic Partners II, LLC	7/11/05	5,600,000	7.59%	425,000	
Non-Performing	Amesbury/Hatters Point (Amesburyport Corporation)	12/16/02	19,242,193	1.72%	330,016	
Non-Performing	Tapia Ranch (Castiac Partners, LLC)	9/28/04	22,000,000	1.43%	314,000	
Repaid	Midvale Marketplace, LLC	6/30/05	-	7.61%	-	
Performing	J. Jireh's Corporation	9/2/05	8,825,000	3.00%	265,000	
Non-Performing	Wasco Investments LLC	11/23/04	6,450,000	3.02%	195,000	
Non-Performing	Oak Shores II (John E. King and Carole D. King)	6/6/05	12,150,000	0.03%	3,925	
Performing	Bay Pompano Beach, LLC	6/20/05	14,680,390	1.20%	176,623	
Non-Performing	Del Valle - Livingston (Del Valle Capital Corporation, Inc)	8/25/05	19,250,000	0.67%	129,000	
Non-Performing	Elizabeth May Real Estate, LLC	2/24/06	10,050,000	1.19%	120,000	
Non-Performing	Marlton Square (MS Acquisition Company, LLC)	8/11/05	30,000,000	0.39%	118,000	
Non-Performing	Clear Creek Plantation (Arapahoe Land Investments, L.P.)	3/15/05	2,900,000	3.45%	100,000	
Non-Performing	Gateway Stone (Gateway Stone Associates, LLC)	11/18/05	13,185,000	0.76%	100,000	
Non-Performing	3685 San Fernando Road Partners, L.P.	8/2/05	7,350,000	1.12%	82,000	
Non-Performing	Meadow Creek Partners, LLC	2/23/06	8,250,000	0.87%	72,000	
Non-Performing	Rio Rancho Executive Plaza, LLC	1/17/06	2,250,000	3.11%	70,000	
Non-Performing	Urban Housing Alliance - 435 Lofts (Urban Housing Alliance, LLC)	7/13/05	8,150,000	0.37%	30,000	
Performing	The Gardens, LLC \$2,425,000 (The Gardens, LLC)	8/15/05	1,925,000	1.52%	29,226	
Non-Performing	Foxhill 216, LLC	2/23/06	25,980,000	0.10%	25,000	
Non-Performing	Castaic Partners III, LLC	9/22/05	4,675,000	0.53%	25,000	
<b>Total</b>					<b>62,652,742</b>	<b>46,000,000</b>

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**SCHEDULE 2**

Performance	Loan Name	Origination Date	7/31/06 Loan Outstanding	Funds Interest		Servicing Fees as of 6/30/2006		
				%	\$	Accrued Fees	Fees Paid	Net Unpaid
Non-Performing	3685 San Fernando Road Partners, L.P.	8/2/05	7,350,000	1.12%	82,000	85,056	72,806	12,250
Performing	5055 Collwood, LLC	2/24/06	1,173,289	0.00%	-	4,917	3,831	1,085
Performing	60th Street Venture, LLC	12/22/05	3,700,000	0.00%	-	19,395	16,316	3,079
Non-Performing	6425 Gess, LTD	4/14/05	26,500,000	2.63%	696,000	231,445	-	231,445
Non-Performing	Amesbury/Hatters Point (Amesburyport Corporation)	12/16/02	19,242,193	17.15%	3,299,403	658,778	583,361	75,417
Non-Performing	Anchor B, LLC	5/31/05	5,835,422	33.36%	1,946,422	63,544	-	63,544
Non-Performing	BarUSA/\$15,300,000 (Barusa, LLC)	11/24/03	15,300,000	0.07%	10,000	336,569	286,417	50,152
Performing	Bay Pompano Beach, LLC	6/20/05	14,680,390	1.67%	245,438	158,882	146,317	12,565
Non-Performing	Binford Medical Developers, LLC	8/31/05	7,450,000	17.25%	1,285,000	49,391	38,156	11,235
Non-Performing	Brookmere/Matteson \$27,050,000	10/29/03	5,964,848	33.88%	2,021,085	19,987	8,540	11,447
Performing	Bundy Canyon \$1,050,000 (Bundy Canyon Land Development, LLC)	1/6/06	1,050,000	0.00%	-	5,391	5,391	(0)
Non-Performing	Bundy Canyon \$2,500,000 (Bundy Canyon Land Development, LLC)	5/2/05	2,300,000	0.00%	-	25,490	22,000	3,490
Non-Performing	Bundy Canyon \$5,000,000 (Bundy Canyon Land Development, LLC)	9/28/05	4,250,000	0.71%	30,000	31,700	22,238	9,463
Performing	Bundy Canyon \$5,725,000 (Bundy Canyon Land Development, LLC)	1/14/05	5,725,000	0.00%	-	71,963	71,963	(0)
Non-Performing	Bundy Canyon \$7,500,000 (Bundy Canyon Land Development, LLC)	8/17/05	6,700,000	0.00%	-	54,794	40,037	14,757
Performing	Cabernet Highlands, LLC	2/17/05	3,000,000	0.00%	-	10,000	10,000	0
Non-Performing	Castaic Partners II, LLC	7/11/05	5,600,000	7.59%	425,000	34,263	18,338	15,925
Non-Performing	Castaic Partners III, LLC	9/22/05	4,675,000	1.60%	75,000	28,673	18,340	10,333
Performing	Charlevoix Homes, LLC (Lindsay and Chandler Heights, LLC)	4/3/06	3,400,000	0.00%	-	8,217	8,217	-
Non-Performing	Clear Creek Plantation (Arapahoe Land Investments, L.P.)	3/15/05	2,900,000	3.45%	100,000	9,740	2,417	7,324
Performing	Cloudbreak LV (Cloudbreak Las Vegas, LLC)	12/17/03	3,800,000	100.00%	3,800,000	12,667	9,544	3,123
Performing	Columbia Managing Partners, LLC	9/1/05	2,210,000	100.00%	2,210,000	7,035	7,035	(0)
Non-Performing	ComVest Capital (Comvest Capital Satellite Arms, Inc)	1/11/06	4,125,000	17.82%	735,000	18,320	14,882	3,438
Non-Performing	Copper Sage Commerce Center Phase II (Copper Sage Commerce Center, LLC)	3/1/06	3,550,000	1.83%	65,000	11,736	6,637	5,100
Performing	Cornman Toltec 160, LLC	6/24/05	6,375,000	0.08%	5,000	20,871	20,871	0
Performing	Cottonwood Hills, LLC	6/14/05	4,000,000	25.00%	1,000,000	40,004	40,004	0
Non-Performing	Del Valle - Livingston (Del Valle Capital Corporation, Inc)	8/25/05	19,250,000	0.67%	129,000	110,286	94,247	16,040

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**SCHEDULE 2**

Performance	Loan Name	Origination Date	7/31/06 Loan Outstanding	Funds Interest		Servicing Fees as of 6/30/2006		
				%	\$	Accrued	Fees Paid	Net Unpaid
Non-Performing	Eagle Meadows Development	10/19/05	31,050,000	11.76%	3,652,000	211,600	131,009	80,591
Non-Performing	Elizabeth May Real Estate, LLC	2/24/06	10,050,000	1.19%	120,000	33,755	10,374	23,381
Performing	Fiesta Development \$6.6 (Fiesta Development, Inc.)	11/14/05	6,800,000	100.00%	6,600,000	22,000	16,500	5,500
Performing	Fiesta Murrieta (Fiesta Development, Inc.)	4/14/05	6,500,000	1.46%	95,039	78,722	73,722	5,000
Non-Performing	Fiesta Oak Valley (Oak Mesa Investors, LLC)	6/15/04	20,500,000	0.05%	9,500	333,015	-	333,015
Non-Performing	Fiesta USA/Stoneridge (Capital Land Investors, LLC)	9/22/03	10,000,000	0.00%	-	212,526	-	212,526
Non-Performing	Foxhill 216, LLC	2/23/06	25,980,000	0.10%	25,000	112,047	52,122	59,926
Non-Performing	Franklin - Stratford Investments, LLC	3/30/05	5,225,000	100.00%	5,225,000	29,222	25,845	3,377
Non-Performing	Gateway Stone (Gateway Stone Associates, LLC)	11/18/05	13,185,000	0.76%	100,000	61,677	28,423	33,254
Performing	Goss Road (Savannah Homes, LLC)	11/2/04	1,000,000	0.25%	2,500	3,333	3,333	(0)
Non-Performing	Gramercy Court Condos (Gramercy Court, Ltd.)	6/25/04	34,884,500	13.10%	4,570,500	151,312	42,293	109,018
Non-Performing	Harbor Georgetown, L.L.C.	8/16/04	8,800,000	5.80%	510,000	155,600	112,602	42,998
Non-Performing	Hasley Canyon (Los Valles Land & Golf, LLC.)	3/3/04	11,700,000	0.00%	-	259,392	161,699	97,694
Performing	Hesperia II (Southern California Land Development, LLC)	4/1/05	4,250,000	0.00%	-	47,312	47,312	(0)
Non-Performing	HFA- Clear Lake LLC	1/6/05	16,050,000	0.88%	141,000	230,499	-	230,499
Non-Performing	HFA- Windham (HFAH Asylum, LLC)	11/15/04	5,550,000	0.00%	-	86,636	-	86,636
Non-Performing	HFA-Clear Lake 2nd (HFAH Clear Lake, LLC)	6/24/05	2,750,000	0.29%	8,000	27,014	-	27,014
Non-Performing	HFAH/Monaco, LLC	12/19/03	4,000,000	100.00%	4,000,000	100,322	-	100,322
Non-Performing	Huntsville (West Hills Park Joint Venture)	3/31/04	10,475,000	10.73%	1,124,000	159,961	95,827	64,133
Performing	I-40 Gateway West, LLC	1/11/05	4,530,000	0.00%	-	15,100	15,100	0
Performing	I-40 Gateway West, LLC 2nd	3/1/06	1,065,000	0.00%	-	3,493	830	2,663
Non-Performing	Interstate Commerce Center Phase II (ISCC Phase II, LLC)	8/11/04	1,856,849	100.00%	1,856,849	6,757	-	6,757
Performing	La Hacienda Estate, LLC	11/11/04	6,255,000	0.80%	50,000	20,390	20,311	79
Non-Performing	Lake Helen Partners	12/7/04	3,159,704	35.76%	1,129,948	34,564	22,687	11,878
Non-Performing	Lerin Hills, LTD	12/7/05	10,350,000	0.00%	-	34,284	25,545	8,738
Non-Performing	Margarita Annex	7/26/04	12,000,000	24.42%	2,930,000	228,338	197,759	30,579
Non-Performing	Marlton Square (MS Acquisition Company, LLC)	8/11/05	30,000,000	1.29%	385,500	266,255	166,673	99,582

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**SCHEDULE 2**

Performance	Loan Name	Origination Date	7/31/06 Loan Outstanding	Funds Interest		Servicing Fees as of 6/30/2006		
				%	\$	Fees Accrued	Fees Paid	Net Unpaid
Non-Performing	Marlton Square 2nd (MS Acquisition Company, LLC)	8/11/05	6,000,000	0.00%	-	36,140	15,690	20,450
Non-Performing	Marquis Hotel (USA Investors VI, LLC)	3/29/05	13,500,000	0.71%	96,000	231,741	-	231,741
Non-Performing	Meadow Creek Partners, LLC	2/23/06	8,250,000	0.87%	72,000	22,482	15,607	6,875
Performing	Mountain House Business Park (Pegasus-MH Ventures I, LLC)	6/10/04	16,800,000	5.67%	953,000	217,108	217,108	(0)
Non-Performing	Oak Shores II (John E. King and Carole D. King)	6/6/05	12,150,000	0.10%	11,877	123,746	113,705	10,042
Non-Performing	Ocean Atlantic \$9,425,000 (Ocean Atlantic Chicago, LLC)	1/23/06	8,925,000	14.61%	1,303,500	9,000	6,750	2,250
Performing	Ocean Atlantic (Ocean Atlantic/PFG-Westbury, LLC)	11/1/05	2,700,000	0.00%	-	33,531	11,184	22,347
Non-Performing	Palm Harbor One, LLC	12/14/05	28,480,000	5.60%	1,594,000	162,395	98,045	64,349
Non-Performing	Placer Vineyards (Placer County Land Speculators, LLC)	12/10/04	31,500,000	0.00%	-	207,549	81	207,468
Non-Performing	Placer Vineyards 2nd (Placer County Land Speculators, LLC)	12/10/04	6,500,000	0.00%	-	38,903	-	38,903
Performing	Preserve at Galleria, LLC	10/6/05	3,711,750	0.11%	3,988	14,643	14,643	(0)
Performing	Redwood Properties, LLC	11/15/05	269,641	100.00%	269,641	1,844	-	1,844
Non-Performing	Rio Rancho Executive Plaza, LLC	1/17/06	2,250,000	3.11%	70,000	8,602	4,880	3,722
Non-Performing	Shamrock Tower, LP (619 Main. LP)	8/5/04	10,500,000	31.43%	3,300,000	161,095	-	161,095
Non-Performing	Slade Development, Inc.	12/5/05	3,525,000	1.42%	50,000	16,204	11,823	4,381
Performing	Southern California Land 2nd (Southern California Land Development, LLC)	8/3/05	2,800,000	1.25%	35,000	23,565	23,565	(0)
Non-Performing	Standard Property Development, LLC	2/27/06	9,640,000	6.96%	671,000	35,175	27,141	8,033
Performing	SVRB \$4,500,000 (SVRB Investments, LLC)	4/27/05	1,424,082	0.00%	-	25,772	24,925	847
Performing	SVRB 2nd \$2,325,000 (SVRB Investments, LLC)	4/27/05	2,325,000	0.00%	-	25,448	23,511	1,938
Non-Performing	Tapia Ranch (Castiac Partners, LLC)	9/28/04	22,000,000	1.43%	314,000	233,291	130,582	102,709
Non-Performing	Ten-Ninety, Ltd./\$4,150,000	12/30/02	4,150,000	20.48%	850,000	-	-	-
Non-Performing	The Gardens Phase II (The Gardens, LLC)	3/31/06	2,500,000	100.00%	2,500,000	5,964	-	5,964
Performing	The Gardens, LLC \$2,425,000 (The Gardens, LLC)	8/15/05	1,925,000	5.53%	106,371	21,613	21,572	42
Performing	The Gardens, LLC Timeshare (The Gardens, LLC)	3/24/04	3,902,274	36.47%	1,422,984	34,553	30,571	3,982
Performing	University Estates, Inc.	4/11/05	4,825,920	100.00%	4,825,920	15,939	15,939	0
Non-	Wasco Investments LLC	11/23/04	6,450,000	3.02%	195,000	74,552	25,587	48,965
<b>Total</b>			<b>704,875,862</b>		<b>69,338,465</b>	<b>6,835,095</b>	<b>3,650,780</b>	<b>3,184,315</b>

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**SCHEDULE 2.3(f)****Application of Higher Value Bucket Surplus to Lower Value Buckets**

	Net Principal Balance Deficiency/Surplus	Application of Schedule 4 Credit to Lower Value Buckets	Application of Schedule 5 Credit to Lower Value Buckets	Application of Schedule 6 Credit to Lower Value Buckets	Adjustment Amount	Schedule Values	Purchase Price Adjustment
	100				(16.7)	95%	(15.8)
Schedule 4	-50	33.3			(16.7)	85%	(14.2)
Schedule 5	-50	33.3	-		(16.7)	80%	(13.3)
Schedule 6	-50	33.3	-	-	-	65%	-
Schedule 7					(50.0)		(43.3)
<b>Total</b>							

**Application of Lower Value Bucket Surplus to Higher Value Buckets**

	Net Principal Balance Deficiency/Surplus	Application of Schedule 4 Credit to Lower Value Buckets	Application of Schedule 5 Credit to Lower Value Buckets	Application of Schedule 6 Credit to Lower Value Buckets	Adjustment Amount	Schedule Values	Purchase Price Adjustment
	-50				(50.0)	95%	(47.5)
Schedule 4	-50	-			(50.0)	85%	(42.5)
Schedule 5	-50	-	-		-	80%	-
Schedule 6	100	-	-	-	-	65%	-
Schedule 7					(100.0)		(90.0)
<b>Total</b>							



Schedule 3.3

USA Commercial Mortgage Company Litigation

Pending Litigation and Investigations

- *Rolland P. Weddell, Spectrum Financial, American Communities, LLC, et al v. USA Commercial Mortgage Company, USA Diversified Trust Deed Fund, USA Investment Partners, LLC, Amblamo et al*, Filed in the United States District Court for the District of Nevada, Case No. 2:01-cv-355, on March 29, 2001.
- *USA Commercial Mortgage Company (Appellant) v. Lowe Enterprises, Double Diamond Ranch, BOHICA (Appellees)*, Filed in the United States District Court for the District of Nevada, Case No. 3:03-cv-00156, on March 12, 2003.
- *Albert Lee, et al v. Palm Terrace, USA Commercial Mortgage Company, Andrew Hantges, et al*, Filed in the California Superior Court, Santa Clara County, Case No. 1-06-cv-057298, on February 1, 2006.
- *USA Commercial Mortgage Company v. James J. Lee*, Filed in the Eighth Judicial District Court in and for Clark County, State of Nevada, Case No. 04-A-488769, on July 14, 2004.
- *USA Commercial Mortgage Company v. James J. Lee*, Filed in the Eighth Judicial District Court in and for Clark County, State of Nevada, Case No. 02-A-459840, on November 27, 2002.
- *USA Commercial Mortgage Company (Appellant, Cross Respondent) v. James J. Lee (Respondent, Cross-Appellant)*, Filed in the Supreme Court for the State of Nevada, Case No. 46363, on November 29, 2005, Cross Appeal filed on December 1, 2005, Consolidated with Case No. 46781, Appeal filed on February 6, 2006.
- *Botaba Realty Company v. USA Commercial Mortgage Company, Brookmere, LLC, Harris Bank, et al*, Filed in the Illinois Circuit Court in and for Cook County, State of Illinois, Case No. 2006-CH-04133, on March 1, 2006.
- *Carob Valley Electric, Inc. v. USA Capital, a business entity form unknown, Pete & Sons Construction, et al*, Filed in the California Superior Court, Riverside County, Case No. RIC 446185, on March 10, 2006.
- *Standard Property Development, LLC v. Premiere Holdings, Inc. Defined Benefit Pension Plan & Trust, et al.*, Filed in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida, Case No. 2006-CA-5756, Division 43, on July 17, 2006.

- *Gateway Stone Associates, LLC v. Arthur V. Adams, Trustee of the Arthur V. Adams Trust dated 9/12/97, et al.*, Filed in the California Superior Court, Riverside County, Case No. RIC 458088, on October 4, 2006.
- *Securities and Exchange Commission ("SEC") Investigation.* USA Capital Realty Advisors, USA Securities, USA Commercial Mortgage Company, USA Capital First Trust Deed Fund and USA Capital Diversified Trust Deed Fund are being investigated by the SEC (*In the Matter of USA Capital*, SEC File No. LA-3112). The SEC may, as a result of its investigation, commence enforcement proceedings.
- *Nevada State Mortgage Lending Division ("MLD") Investigation.* USA Capital Realty Advisors, USA Securities, USA Commercial Mortgage Company, USA Capital First Trust Deed Fund and USA Capital Diversified Trust Deed Fund are being investigated by the MLD. The MLD may, as a result of its investigation, commence enforcement proceedings.
- *California Department of Corporations Investigation of the USA Capital First Trust Deed Fund.*

#### Threatened Litigation

Claims or potential claims of the Borrowers, their principals, or other obligors with respect to the following Loans:

<b>Loan Name Listing:</b>	<b>Borrower:</b>
3685 San Fernando Road Partners	3685 San Fernando Road Partners, L.P.
5055 Collwood, LLC	5055 Collwood, LLC
60th Street Venture, LLC	60th Street Venture, LLC
BySynergy, LLC \$4,434,446	BySynergy, LLC
Cabernet	Cabernet Highlands, LLC
Fiesta Oak Valley	Oak Mesa Investors, LLC,
Fiesta USA/Stoneridge	Capital Land Investors, LLC
Glendale Tower Partners	Glendale Tower Partners, L.P.
Hasley Canyon	Los Valles Land & Golf, LLC
Hesperia II	Southern California Land Development, LLC
SVRB \$4,500,000	SVRB Investments, LLC
SVRB 2nd \$2,325,000	SVRB Investments, LLC
Urban Housing Alliance - 435 Lofts	Urban Housing Alliance, LLC
Cornman Toltec 160, LLC	Cornman Toltec 160, LLC
Bundy Canyon \$2,500,000	Bundy Canyon Land Development, LLC
Southern California Land 2 <sup>nd</sup>	Southern California Land Development, LLC
University Estates	University Estates, Inc.
Slade Development	Slade Development, Inc.
Castaic Partners III, LLC	Castaic Partners III, LLC
ComVest Capital	ComVest Capital Satellite Arms, Inc.

<b>Loan Name Listing:</b>	<b>Borrower:</b>
HFA- Windham	Homes for America Holdings and affiliates, Homes For America Holdings Asylum, LLC
HFA- Riviera 2 <sup>nd</sup>	Homes for America Holdings and affiliates, Riviera-Homes For America Holdings, LLC
Ocean Atlantic \$9,425,000	Ocean Atlantic Chicago, LLC
Palm Harbor One	Palm Harbor One, LLC
Bundy Canyon \$5,000,000	Bundy Canyon Land Development, LLC
Amesbury/Hatters Point	Amesburyport Corporation
Bundy Canyon \$7,500,000	Bundy Canyon Land Development, LLC
Columbia Managing Partners	Columbia Managing Partners, LLC and David Rentz
Binford Medical Developers	Binford Medical Developers, LLC
Franklin - Stratford Investments, LLC	Franklin/Stratford Investments, LLC
Elizabeth May Real Estate	Elizabeth May Real Estate, LLC
La Hacienda Estate, LLC	La Hacienda Estates, LLC
Huntsville	West Hills Park Joint Venture, Curtis Development, LLC, and J A Dev., LC
Gramercy Court Condos	Gramercy Court, Ltd. and Treetops Management, Inc.
Lerin Hills	Lerin Hills, Ltd. and Lerin Hills Development Company, LLC
Wasco Investments	Wasco Investments, LLC
Foxhill 216, LLC	Fox Hills 185, LLC, Fox Hills River East, LLC, Fox Hills 119, LLC, Fox Hills 62, LLC, Fox Hills 37, LLC and Fox Hills Fresno Slough, LLC and Kent Hoggan
Gateway Stone	Gateway Stone Associates, LLC
Brookmere/Matteson \$27,050,000	Brookmere LLC and Lord & Essex Matteson, LLC
Rio Rancho Executive Plaza, LLC	Rio Rancho Executive Plaza, LLC
Eagle Meadows Development	Eagle Meadows Development
The Gardens Phase II	The Gardens, LLC
Copper Sage Commerce Center Phase II	Copper Sage Commerce Center, LLC
Standard Property Development	Standard Property Development, LLC
Bundy Canyon \$8,900,000	Bundy Canyon Land Development, LLC
Meadow Creek Partners, LLC	Meadow Creek Partners, LLC
Ten-Ninety	Ten Ninety, Ltd. and William R. Luca and Dorothy Luca, Trustees of the Luca Family Trust
Saddleback	Saddleback

Schedule 3.4(f)

Litigation, Proceeding, Governmental Investigations,  
Judicial Order, Injunction or Decree with respect to the Loans

Claims or potential claims of the Borrowers, their principals, or other obligors with respect to the following Loans:

<b>Loan Name Listing:</b>	<b>Borrower:</b>
3685 San Fernando Road Partners	3685 San Fernando Road Partners, L.P.
5055 Collwood, LLC	5055 Collwood, LLC
60th Street Venture, LLC	60th Street Venture, LLC
BySynergy, LLC \$4,434,446	BySynergy, LLC
Cabernet	Cabernet Highlands, LLC
Fiesta Oak Valley	Oak Mesa Investors, LLC,
Fiesta USA/Stoneridge	Capital Land Investors, LLC
Glendale Tower Partners	Glendale Tower Partners, L.P.
Hasley Canyon	Los Valles Land & Golf, LLC
Hesperia II	Southern California Land Development, LLC
SVRB \$4,500,000	SVRB Investments, LLC
SVRB 2nd \$2,325,000	SVRB Investments, LLC
Urban Housing Alliance - 435 Lofts	Urban Housing Alliance, LLC
Cornman Toltec 160, LLC	Cornman Toltec 160, LLC
Bundy Canyon \$2,500,000	Bundy Canyon Land Development, LLC
Southern California Land 2 <sup>nd</sup>	Southern California Land Development, LLC
University Estates	University Estates, Inc.
Slade Development	Slade Development, Inc.
Castaic Partners III, LLC	Castaic Partners III, LLC
ComVest Capital	ComVest Capital Satellite Arms, Inc.
HFA- Windham	Homes for America Holdings and affiliates, Homes For America Holdings Asylum, LLC
HFA- Riviera 2 <sup>nd</sup>	Homes for America Holdings and affiliates, Riveria- Homes For America Holdings, LLC
Ocean Atlantic \$9,425,000	Ocean Atlantic Chicago, LLC
Palm Harbor One	Palm Harbor One, LLC
Bundy Canyon \$5,000,000	Bundy Canyon Land Development, LLC
Amesbury/Hatters Point	Amesburyport Corporation
Bundy Canyon \$7,500,000	Bundy Canyon Land Development, LLC
Columbia Managing Partners	Columbia Managing Partners, LLC and David Rentz
Binford Medical Developers	Binford Medical Developers, LLC
Franklin - Stratford Investments, LLC	Franklin/Stratford Investments, LLC
Elizabeth May Real Estate	Elizabeth May Real Estate, LLC
La Hacienda Estate, LLC	La Hacienda Estates, LLC
Huntsville	West Hills Park Joint Venture, Curtis Development, LLC, and J A Dev., LC
Gramercy Court Condos	Gramercy Court, Ltd. and Treetops Management, Inc.
Lerin Hills	Lerin Hills, Ltd. and Lerin Hills Development Company, LLC

<b>Loan Name Listing:</b>	<b>Borrower:</b>
Wasco Investments	Wasco Investments, LLC
Foxhill 216, LLC	Fox Hills 185, LLC, Fox Hills River East, LLC, Fox Hills 119, LLC, Fox Hills 62, LLC, Fox Hills 37, LLC and Fox Hills Fresno Slough, LLC and Kent Hoggan
Gateway Stone	Gateway Stone Associates, LLC
Brookmere/Matteson \$27,050,000	Brookmere LLC and Lord & Essex Matteson, LLC
Rio Rancho Executive Plaza, LLC	Rio Rancho Executive Plaza, LLC
Eagle Meadows Development	Eagle Meadows Development
The Gardens Phase II	The Gardens, LLC
Copper Sage Commerce Center Phase II	Copper Sage Commerce Center, LLC
Standard Property Development	Standard Property Development, LLC
Bundy Canyon \$8,900,000	Bundy Canyon Land Development, LLC
Meadow Creek Partners, LLC	Meadow Creek Partners, LLC
Ten-Ninety	Ten Ninety, Ltd. and William R. Luca and Dorothy Luca, Trustees of the Luca Family Trust
Saddleback	Saddleback

Schedule 3.4(g)

Loans that are part of First Trust Deed Fund Assets with the option to fund certain unfunded construction budget requirements as set forth herein

<b>Loan Name Listing:</b>	<b>Borrower:</b>
3685 San Fernando Road Partners	3685 San Fernando Road Partners, L.P.
Urban Housing Alliance - 435 Lofts	Urban Housing Alliance, LLC
University Estates	University Estates, Inc.
Castaic Partners III, LLC	Castaic Partners III, LLC
ComVest Capital	ComVest Capital Satellite Arms, Inc.
Ocean Atlantic \$9,425,000	Ocean Atlantic Chicago, LLC
Palm Harbor One	Palm Harbor One, LLC
Amesbury/Hatters Point	Amesburyport Corporation
Columbia Managing Partners	Columbia Managing Partners, LLC and David Rentz
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Elizabeth May Real Estate	Elizabeth May Real Estate, LLC
Huntsville	West Hills Park Joint Venture, Curtis Development, LLC, and J A Dev., LC
Gramercy Court Condos	Gramercy Court, Ltd. and Treetops Management, Inc.
Wasco Investments	Wasco Investments, LLC
Foxhill 216, LLC	Fox Hills 185, LLC, Fox Hills River East, LLC, Fox Hills 119, LLC, Fox Hills 62, LLC, Fox Hills 37, LLC and Fox Hills Fresno Slough, LLC and Kent Hoggan
Gateway Stone	Gateway Stone Associates, LLC
Brookmere/Matteson \$27,050,000	Brookmere LLC and Lord & Essex Matteson, LLC
Rio Rancho Executive Plaza, LLC	Rio Rancho Executive Plaza, LLC
Eagle Meadows Development	Eagle Meadows Development
The Gardens Phase II	The Gardens, LLC
Standard Property Development	Standard Property Development, LLC
Meadow Creek Partners, LLC	Meadow Creek Partners, LLC



Schedule 3A.3

## USA Capital First Trust Deed Fund Litigation

Pending Litigation and Investigations

- *Standard Property Development, LLC v. Premiere Holdings, Inc. Defined Benefit Pension Plan & Trust, et al.*, Filed in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida, Case No. 2006-CA-5756, Division 43, on July 17, 2006.
- *Gateway Stone Associates, LLC v. Arthur V. Adams, Trustee of the Arthur V. Adams Trust dated 9/12/97, et al.*, Filed in the California Superior Court, Riverside County, Case No. RIC 458088, on October 4, 2006.
- *Securities and Exchange Commission ("SEC") Investigation.* USA Capital Realty Advisors, USA Securities, USA Commercial Mortgage Company, USA Capital First Trust Deed Fund and USA Capital Diversified Trust Deed Fund are being investigated by the SEC (*In the Matter of USA Capital*, SEC File No. LA-3112). The SEC may, as a result of its investigation, commence enforcement proceedings.
- *Nevada State Mortgage Lending Division ("MLD") Investigation.* USA Capital Realty Advisors, USA Securities, USA Commercial Mortgage Company, USA Capital First Trust Deed Fund and USA Capital Diversified Trust Deed Fund are being investigated by the MLD. The MLD may, as a result of its investigation, commence enforcement proceedings.
- *California Department of Corporations Investigation* of the USA Capital First Trust Deed Fund.

Threatened Litigation

Claims or potential claims of the Borrowers, their principals, or other obligors with respect to the following Loans:

<b>Loan Name Listing:</b>	<b>Borrower:</b>
3685 San Fernando Road Partners	3685 San Fernando Road Partners, L.P.
BySynergy, LLC \$4,434,446	BySynergy, LLC
Urban Housing Alliance - 435 Lofts	Urban Housing Alliance, LLC
University Estates	University Estates, Inc.
Castaic Partners III, LLC	Castaic Partners III, LLC
ComVest Capital	ComVest Capital Satellite Arms, Inc.
Ocean Atlantic \$9,425,000	Ocean Atlantic Chicago, LLC
Palm Harbor One	Palm Harbor One, LLC

<b>Loan Name Listing:</b>	<b>Borrower:</b>
Amesbury/Hatters Point	Amesburyport Corporation
Columbia Managing Partners	Columbia Managing Partners, LLC and David Rentz
Binford Medical Developers	Binford Medical Developers, LLC
Franklin - Stratford Investments, LLC	Franklin/Stratford Investments, LLC
Elizabeth May Real Estate	Elizabeth May Real Estate, LLC
Huntsville	West Hills Park Joint Venture, Curtis Development, LLC, and J A Dev., LC
Gramercy Court Condos	Gramercy Court, Ltd. and Treetops Management, Inc.
Wasco Investments	Wasco Investments, LLC
Foxhill 216, LLC	Fox Hills 185, LLC, Fox Hills River East, LLC, Fox Hills 119, LLC, Fox Hills 62, LLC, Fox Hills 37, LLC and Fox Hills Fresno Slough, LLC and Kent Hoggan
Gateway Stone	Gateway Stone Associates, LLC
Brookmere/Matteson \$27,050,000	Brookmere LLC and Lord & Essex Matteson, LLC
Rio Rancho Executive Plaza, LLC	Rio Rancho Executive Plaza, LLC
Eagle Meadows Development	Eagle Meadows Development
The Gardens Phase II	The Gardens, LLC
Standard Property Development	Standard Property Development, LLC
Meadow Creek Partners, LLC	Meadow Creek Partners, LLC

**SCHEDULE 4**

<b>Performance</b>	<b>Loan Name</b>	<b>7/31/06 Loan Outstanding</b>	<b>Funds Interest</b>	
			<b>%</b>	<b>\$</b>
Performing	Cloudbreak LV (Cloudbreak Las Vegas, LLC)	3,800,000	99.31%	3,773,675
Performing	Cottonwood Hills, LLC	4,000,000	25.00%	1,000,000
Performing	The Gardens, LLC \$2,425,000 (The Gardens, LLC)	1,925,000	1.52%	29,226
Non-Performing	Brookmere/Matteson \$27,050,000	5,964,848	33.88%	2,021,085
Non-Performing	Wasco Investments LLC	6,450,000	3.02%	195,000
Non-Performing	Franklin - Stratford Investments, LLC	5,225,000	80.67%	4,215,000
Non-Performing	Interstate Commerce Center Phase II (ISCC Phase II, LLC)	1,856,849	86.34%	1,603,204
Non-Performing	Meadow Creek Partners, LLC	8,250,000	0.87%	72,000
Performing	Bay Pompano Beach, LLC	14,680,390	1.20%	176,623
Non-Performing	Clear Creek Plantation (Arapahoe Land Investments, L.P.)	2,900,000	3.45%	100,000
<b>Total</b>		<b>55,052,087</b>		<b>13,185,812</b>

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**SCHEDULE 5**

<b>Performance</b>	<b>Loan Name</b>	<b>7/31/06 Loan Outstanding</b>	<b>Funds Interest</b>	
			<b>%</b>	<b>\$</b>
Non-Performing	Oak Shores II (John E. King and Carole D. King)	12,150,000	0.03%	3,925
Performing	J. Jireh's Corporation	8,825,000	3.00%	265,000
Non-Performing	Margarita Annex	12,000,000	24.42%	2,930,000
Non-Performing	Binford Medical Developers, LLC	7,450,000	17.25%	1,285,000
Non-Performing	Shamrock Tower, LP (619 Main. LP)	10,500,000	31.43%	3,300,000
Non-Performing	Marlton Square (MS Acquisition Company, LLC)	30,000,000	0.39%	118,000
Non-Performing	Del Valle - Livingston (Del Valle Capital Corporation, Inc)	19,250,000	0.67%	129,000
<b>Total</b>		<b>100,175,000</b>		<b>8,030,925</b>

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**SCHEDULE 6**

<b>Performance</b>	<b>Loan Name</b>	<b>7/31/06 Loan Outstanding</b>	<b>Funds Interest</b>	
			<b>%</b>	<b>\$</b>
Non-Performing	Gramercy Court Condos (Gramercy Court, Ltd.)	34,884,500	13.10%	4,570,500
Performing	Fiesta Development \$6.6 (Fiesta Development, Inc.)	6,600,000	100.00%	6,600,000
Non-Performing	HFAH/Monaco, LLC	4,000,000	100.00%	4,000,000
Non-Performing	Gateway Stone (Gateway Stone Associates, LLC)	13,185,000	0.76%	100,000
Non-Performing	Rio Rancho Executive Plaza, LLC	2,250,000	3.11%	70,000
Performing	The Gardens, LLC Timeshare (The Gardens, LLC)	3,902,274	31.03%	1,211,050
Non-Performing	Standard Property Development, LLC	9,640,000	6.96%	671,000
Non-Performing	ComVest Capital (Comvest Capital Satellite Arms, Inc)	4,125,000	17.82%	735,000
Performing	Roam Development Group L.P.	25,601,735	2.37%	605,688
Performing	Columbia Managing Partners, LLC	2,210,000	100.00%	2,210,000
Non-Performing	Elizabeth May Real Estate, LLC	10,050,000	1.19%	120,000
<b>Total</b>		<b>116,448,509</b>		<b>20,893,239</b>

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**SCHEDULE 7**

<b>Performance</b>	<b>Loan Name</b>	<b>7/31/06 Loan Outstanding</b>	<b>Funds Interest</b>	
			<b>%</b>	<b>\$</b>
Non-Performing	Anchor B, LLC	5,835,422	33.36%	1,946,422
Non-Performing	3685 San Fernando Road Partners, L.P.	7,350,000	1.12%	82,000
Non-Performing	6425 Gess, LTD	26,500,000	2.63%	696,000
Non-Performing	Ocean Atlantic \$9,425,000 (Ocean Atlantic Chicago, LLC)	8,925,000	14.61%	1,303,500
Non-Performing	Urban Housing Alliance - 435 Lofts (Urban Housing Alliance, LLC)	8,150,000	0.37%	30,000
Performing	Mountain House Business Park (Pegasus-MH Ventures I, LLC)	16,800,000	5.21%	875,000
Performing	University Estates, Inc.	4,825,920	100.00%	4,825,920
Non-Performing	Palm Harbor One, LLC	28,480,000	5.60%	1,594,000
Non-Performing	The Gardens Phase II (The Gardens, LLC)	2,500,000	100.00%	2,500,000
Non-Performing	Lake Helen Partners	3,159,704	28.77%	908,908
Non-Performing	Castaic Partners II, LLC	5,600,000	7.59%	425,000
Non-Performing	Castaic Partners III, LLC	4,675,000	0.53%	25,000
Non-Performing	Huntsville (West Hills Park Joint Venture)	10,475,000	4.77%	500,000
Non-Performing	Harbor Georgetown, L.L.C.	8,800,000	5.80%	510,000
Non-Performing	Amesbury/Hatters Point (Amesburyport Corporation)	19,242,193	1.72%	330,016
Non-Performing	Tapla Ranch (Castiac Partners, LLC)	22,000,000	1.43%	314,000
Non-Performing	Foxhill 216, LLC	25,980,000	0.10%	25,000
Non-Performing	Eagle Meadows Development	31,050,000	11.76%	3,652,000
<b>Total</b>		<b>240,348,239</b>		<b>20,542,766</b>

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